

It's often said that small businesses are the backbone of our economy.

More importantly, small businesses are the heart and soul of the local community; they hire our friends and neighbors, they spend what they make right down the street and we feel their gains and their losses deeply and profoundly.

Because of that, I was relieved to see that the health care reform legislation approved by three House committees last month included important provisions to help small businesses cope with the skyrocketing costs of offering insurance to their employees.

In fact, many small business owners say that trying to provide insurance to their workers is the single biggest challenge they face. Health insurance costs for small businesses have increased by 129 percent since the year 2000, and most small business owners face higher premiums for their workers than for workers in large firms. Even worse, when small business workers do get sick, insurers will often pass the cost of care onto the small business owner.

Since those costs are so high, only 45 percent of the country's smallest firms offer health care benefits and 60 percent of this country's uninsured – or 28 million people – are small business owners, workers, and their families.

The high costs of health care make it even harder for small businesses fighting to survive in an increasingly global marketplace. Companies based in countries that provide universal health care to their citizens, like our neighbor Canada, have a built-in strategic advantage against American companies. Reforming our health care system is vital to helping America's business owners. It is time to level the playing field and let the ingenuity and hard work of our small businesses determine their success.

Unfortunately, opponents of reform - including many of the companies that profit handsomely under the current insurance system - have tried to undercut the momentum for reform by making outrageous claims about what the legislation means for small businesses.

So I want to set the record straight on a number of key provisions of the bill.

- Small businesses would have access to affordable, reliable coverage. All coverage will no longer exclude patients with pre-existing conditions and will rely on premiums like any other health plan, not on general tax revenue.
- Small businesses would be able to purchase insurance through an "exchange" that sets affordable group rates, has stable pricing and gives workers choices.
- Small businesses would receive exemptions from the surcharges that will help pay for universal health care; if their payroll is \$500,000 or less, they would be completely exempted. Above that level, there is a small surcharge but it is phased; The Joint Committee on taxation estimates that 96 percent of small businesses would pay nothing.
- Owners of small businesses would get a tax credit to help them offer coverage – in some cases the credit would amount to up to 50 percent of the cost of providing health insurance if the small business has less than 25 employees.

A key provision of the current plan is the public option. The public option would compete on an even footing with private options in the exchange. It would rely on premiums like any other plan and would be required to be self-sustaining. Make no mistake, the public option will help small businesses by driving down costs in the exchange, and keeping insurance companies honest. And also remember that the public option is not unlike what the federal government already does with our veterans and with more than 40 million people covered by Medicare.

I've talked to several small business owners who have a lot to gain from this plan – Indeed, the New York Times recently wrote: "The small business community would be one of the biggest winners from health care reform."

That's in part because of estimates showing that small business will save as much as \$855 billion over a 10 year period – money that can be reinvested in their businesses and in new jobs.

I know that financially conscious small business owners are concerned about the costs of this reform and so am I. As it is, health care costs are rising at an alarming rate not only for businesses and families but also for the federal government. If we do nothing, within a decade the federal government will spend one out of every \$5 we earn on health care and in 30 years it will be one out of every \$3. I am pleased to see that the bills produced by the three relevant committees in the House not only rein in these growing costs but also do not further expand the national debt over the next ten years.

I hope that small businesses in this community take some time to look into this proposal and see what it will mean to them, their employees – and their bottom line.